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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2168

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CEMA'S ACTIVITIES IN 1980 DESCRIBED

Moscow APN DAILY REVIEW in English 22 May 81 pp 1-10

[Article: "CEMA'S ACTIVITIES IN 1980"]

[Text] The member countries of the Council for Mutual Economic Assistance, implementing the economic strategy of their communist and workers' parties, have accomplished new achievements in creating the material base of socialism and communism, in raising living and cultural standards of their peoples. The national income of the CEMA member-states increased on the whole by 22 percent in the past five-year period (1976-1980). Industrial output grew by 26 percent. Labour productivity went up by 20 percent. The average yearly gross output in agriculture amounted to 109 percent against 1971-1975.

The implementation of the Comprehensive Program for Further Deepening and Improvement of Cooperation and the Development of Socialist Economic Integration facilitates the joinging of efforts by countries in the interests of resolving key economic problems, strengthening the might, unity and international prestige of the CEMA countries, dynamic and stable development of their national economies, deepening of the international socialist division of labour and levelling of economic development.

The national income of the CEMA countries on the whole increased by 66 percent in the seventies. The volume of capital investment grew by 73 percent, gross industrial output--by 84 percent, gross agricultural output--by 15 percent.

Cooperation in Planning

In 1980, the CEMA member-states and the Council bodies completed on the whole work on coordinating the national economic plans for 1981-1985. The main conditions were thus created for elaborating their national economic plans and for the stable development of their economies in the current five-year period.

The coordination of plans was carried out simultaneously with the elaboration and beginning of the implementation of long-term purpose-oriented programs of cooperation and bilateral long-term programs of developing specialization and cooperation of production. The coordination was conducted with due account for the agreed measures on cooperation in resolving a number of major problems for an extended perspective in the key branches of material production.

The CEMA member-states signed by the beginning of 1981 with a view to implementing the long-term purpose-oriented cooperation programs 121 multilateral agreements on economic and scientific and technical cooperation.

A great deal of work has been done on elaborating a draft Coordinated Plan of Multilateral Integration Measures for 1981-1985. The draft contains major measures on cooperation included in the long-term purpose-oriented cooperation programs and agreed upon during the coordination of plans.

The past year saw the implementation of measures of the Coordinated Plan of Multilateral Integration Measures of the CEMA member-states for 1976-1980. The trunk gas pipeline "Soyuz", Kiembayev ore dressing plant, the first stage of the Ust Ilim pulp-making plant, plants producing iron-containing raw materials and some types of ferroalloy and other facilities were made operational.

Scientific and Technical Ties

In 1980, the CEMA member-states and the Council bodies, in implementing the provisions of the Comprehensive program in the field of science and technology, concentrated their efforts on completing work envisaged by plans and programs of cooperation during scientific and technical research of mutual interest in 1976-1980 and on working out appropriate plans and programs of cooperation for 1981-1985. Special attention was given to measures connected with the implementation of the long-term purpose-oriented cooperation programs and the Coordinated Plan of Multi-lateral Integration Measures.

More than 2,000 scientific studies were completed in the course of cooperation. Work continued on working out a draft section on science and technology of the Coordinated plan for 1981-1985. 50 big assignments were set forth on developing new equipment and technology to be included in the draft section.

The CEMA committee for scientific and technical cooperation examined the results of cooperation on problems in the field of developing MHD-electric power plants, new energy sources and pesticides, as well as proposals for raising the efficiency of the scientific and production association "Interetalonpribor" and organizing cooperation on introducing achievements in the field of welding and all-round use of timber. In welding, about 200 investions were introduced into the national economy of the CEMA countries. Among this is a semi-automatic machine, jointly designed by the "Intermigmag," which features high technical properties.

A general detailed program of cooperation for 1976-1980 in the field of environmental protection and the rational utilization of natural resources was successfully implemented. More than 400 scientific research and designing works were completed. A program of such cooperation for 1981-1985 was worked out. Much attention was given to organizing cooperation of interested countries in implementing the convention and resolution on long-distance transboundary air pollution and of the declaration on low and non-waste technology and reutilization and recycling of waste.

During the period under review, more than 17 new multilateral agreements on scientific and technical cooperation were signed within the CEMA framework,

including general agreements on facilitating the rapid development of science and engineering in the Socialist Republic of Vietnam and the Republic of Cuba.

Problems of Fuel and Energy and Raw Materials

Consistently implementing the program of work on developing energetics, the interested CEMA member-states have worked out and signed an agreement on cooperation and conducting scientific research and designing to develop generating sets with water-cooled and water-moderated reactors with a capacity of 1,000 megawatt and to improve further reactors of this type. Measures were implemented on fulfilling a general agreement on cooperation of the interested CEMA member-states in building on Soviet territory of the Khmelnitsky atomic power plant and an agreement on cooperation in building and launching into operation of the 750-kilovolt electric power line between the Khmelnitsky atomic power plant (USSR) and Rzeszow (Poland).

In connection with the launching of the 750-kilovolt electric power transmission line Vinnitsa-the Western Ukraine (USSR)-Albertirsa (Hungary), the countries participants in the Central Dispatching Department carried out measures linked with the mastering of fundamentally new modes of parallel work of the Joint Energy Systems and the Single Power Grid of the USSR, as well as on launching new electric power transmission lines within the system.

The total generation of electricity by the members of the Central Dispatching Department reached in 1980 668.8 billion kW/h and was 3.3 percent higher than in the previous year. The volume of reciprocal energy deliveries amounted to 31.6 billion kW/h. The estimated effect from the coordination of the schedules of loading on individual energy systems and the joint energy system of the CEMA member-states on the whole amounted to 2,036 megawatt in December 1980.

In the field of the peaceful use of atomic energy, agreements were signed and programs adopted on cooperation in developing generating sets with big-capacity water-cooled and water-mode-rated reactors and designing a powerful fast neutron reactor installation. A broad range o. neutron-hysical, thermal-hydraulic and dynamic research was made into water-cooled and water-moderated reactors, type 400 and 1,000.

The volume of reciprocal deliveries of nuclear technology between the countries whose economic organizations are members of the international economic organization "Interatominstrument" reached in 1980 more than 38 million transferable roubles. The share of specialised products was 40 percent.

The rated capacity of atomic power plants in the CEMA member-states reached 17,800 megawatt by the end of 1980, including (in thousand megawatt): in Bulgaria--1.32, the German Democratic Republic--1.83, the Soviet Union--13.77 and Czechoslovakia--0.88.

Work was completed on studying the prospects of the availability of oil and gas and determining the basic trends of geological prospecting for oil and gas, compiling maps forecasting availability of coal and on the industrial assessment of promising regions. Vast material was generalized on the geology of oil and gas and coal bearing basins.

A high geological and economic effect was produced during the implementation of the agreement on coordinating surveying and geological prospecting for oil and gas in the corresponding geological regions. Joint research work by specialists from the interested countries made it possible to assess the prospects of availability of oil and gas in the border areas and work out optimal conditions for conducting geophysical surveying. Cooperation on these problems produced an economic effect worth about 40 million transferrable roubles.

In 1980, the Soviet Union provided, by the gas pipeline "Soyuz" which has attained its built-in capacity, Bulgaria, Hungary, the GDR, Poland and Czechoslovakia with 2.8 billion cubic meters of gas each, and Romania with 1.5 billion cubic meters.

In the field of ferrous metallurgy, a number of problems were developed connected with the development of cooperation on ensuring the requirements in special materials for the radiotechnical industry,--electrical sheet steel, metal cord, steel ribbon and high-strength wire, etc.

In the field of non-ferrous metallurgy, the CEMA countries put into operation new facilities mining copper and lead-zinc ores, as well as bauxites, producing alumina and aluminum, melting copper, lead, zinc, and rolling non-ferrous metals.

Agreements were implemented on specialization and cooperation in the production of a number of chemicals, including synthetic rubber, chemical and biochemical fodder admixtures, pharmaceutic products, articles of tyre making industry, herbicides, dyes, energy consuming and low energy consuming products.

The successful cooperation between the CEMA countries in this area reliably ensured the availability of fuel and energy resources and raw materials despite the continuing energy crisis in the capitalist world.

Agriculture and Food Industry

In the selection of agricultural crops and the use of the results produced, the exchange of stock material was expanded, new varieties, hybrids and lines with valuable economic and biological properties and qualities were produced. Important results were obtained in applied genetics, acceleration of the selection process, enhancing the potential of the productive fodder mass and seeds, and raising resistance to diseases and pests.

The results of 76 scientific research works were proposed for use.

Programs were fulfilled on cooperation in designing food industry enterprises in the past five-year period, particularly, poultry processing, cheese making factories and a cannery, all-round mechanized and automated stores of food industry enterprises, etc.

Mechanical Engineering

The year 1980 saw the completion of the drafting of agreements stemming from the long-term purpose-oriented program on cooperation in mechanical engineering. Eighty-nine draft multilateral agreements on specialization and cooperation of production

and proposals for deepening and expanding specialization on the earlier concluded agreements were worked out. Fifty-one agreements on specialization and cooperation of production were drafted. They cover equipment for ferrous and non-ferrous metallurgy, concentration of solid fuel, ferrous and non-ferrous metals, mined chemical raw materials, and corresponding units and parts; equipment for secondary oil refining, producing chemical products; sea-going ships, inner waterway vessels and other vessels; strip mining equipment for ores and non-ore minerals; transport equipment; tractors and agricultural machinery; automobiles; equipment for the food industry and other branches.

A number of agreements were signed, including a treaty on specialization and co-production in the field of metal cutting equipment and auxiliary parts. A treaty was drafted on multilateral international specialization and co-production of individual types of special technological equipment for the production and testing of radiotechnical and electronic articles.

Transport, Communication

The earlier adopted agreements on developing transportation were complemented by another two--on cooperation in the comprehensive development and reconstruction of the motorways Rostock-Berlin-Prague-Budapest-Bucharest-Constanta, and Gdansk-Warsaw-Bratislava-Budapest, Bucharest-Constanta with a branch road Craiova-Calafat-Vidin-Sofia. Much attention was given to the development and intensification of international railways, ensuring the transportation between countries of especially heavy and large-size equipment for atomic engineering, as well as establishing an operative system to control the movement and handling of locomotives and tonnage of interested countries. Work was conducted on improving the International Railway Transit Tariff and rates for the use of freight cars. The implementation was started of the general agreements on cooperation between the interested countries in developing international airports.

Ways were outlined of improving the operation of railway transport, perfect automobile haulage between the CEMA member-states, reconstruct and increase the throughout capacity of international motorways and improve cooperation in the field of water transport. A plan of measures on creating a coordinated automated complex communication system was approved for transferring information of all types at the second stage in 1981-1985.

Consumer Goods Production

New agreements were signed, including those on cooperation in expanding from their own resources furniture manufacturing facilities in Romania and Czechoslovakia with a view to delivering furniture to Mongolia and the USSR during the period ending in 1990, on multilateral international specialization and co-production of selected types of special-purpose furniture. Agreements were drawn up on cooperation in expanding the production of furniture accessories, on scientific and technical cooperation in creating high quality fur substitutes, on cooperation in specialization and co-production of non-woven fabrics.

Monetary-Financial Activity

The CEMA standing commission on monetary and financial affairs, the International Bank for Economic Cooperation and the International Investment Bank took measures to further enhance the role of the collective currency (transferrable rouble).

The overall volume of operations by the International Bank for Economic Cooperation reached 176.3 billion transferrable roubles, including the sum of reciprocal accounts of the Bank members which reached 122.9 billion transferrable roubles, or 107.8 percent of the 1979 level.

The value of transferrable rouble credits granted by the IBEC to the authorized member banks reached 9.7 billion transferrable roubles in 1980, which is 16.8 percent more than in 1979.

In 1980, the International Investment Bank accepted for crediting eight projects for a total sum of the credit worth 157 million transferrable roubles. Forty-seven Bank-credited projects were put into operation between 1971 and 1980. Before 1980 these projects exported to the CEMA member-states more than 5.8 billion transferrable roubles' worth of goods.

Other Areas of Cooperation

Work was carried out in the field of material and technical supplies to implement cooperation in saving ferrous metals, cement, timber and to expand the utilization of scrap metal and waste of non-ferrous metals and secondary plastics.

Cooperation continued in exchanging products of industrial-technical and other designation. A program was approved on establishing a system of standard documentation on the activities in the field of standardization, metrology and quality of products.

In 1980 767 CEMA standards were approved, including 146 for the standard-technical (standardizational) support for the measures on cooperation in the field of energy, fuel and raw materials; 25--in the field of agriculture and food industry; 116--in the field of mechanical engineering, electrical engineering and radio electronics; 43--in the field of consumer goods production and five--in the development of transportation.

International Ties

The CEMA member-states actively cooperate with other socialist countries as well as with developing nations and industrialized capitalist states.

Under an agreement between CEMA and Yugoslavia, the latter continued to participate actively in the work of the Council bodies. Yugoslavia is taking part in more than 80 agreements on multilateral specialization and co-production, scientific and technical cooperation, including those connected with the fulfillment of long-term purpose-oriented cooperation programs. Its cooperation within the CEMA framework covers 23 areas.

Allround cooperation between CEMA and Finland is successfully developing. By the end of 1980, the organizations and firms of the interested CEMA members and Finland concluded 29 agreements. Trade between the CEMA countries and Finland in 1980 reached 4.3 billion roubles against 2.9 billion in 1979. Cooperation covered mechanical engineering, chemical industry, transport and scientific and technical ties.

The CEMA member-states rendered economic and technical assistance to 90 developing countries, including 27 countries in Asia, 43 in Africa and 20 in Latin America.

As many as 4,658 various industrial enterprises and other facilities have been built, are being built or will be built in developing countries with technical assistance of the CEMA countries; 3,157 of them have already been made operational.

Higher and specialized secondary educational establishments in the CEMA countries trained more than 47,000 specialists from developing countries in the past decade. CEMA scholarships are granted to about 3,000 students from 48 developing countries who study in the CEMA countries.

Agreements on cooperation between CEMA and Iraq, between CEMA and Mexico are being implemented.

In 1980, the CEMA carried out regular contacts of various kinds with more than 60 international economic and scientific and technical organizations.

CSO: 2020/60

PARALLELS DRAWN BETWEEN POLISH, OTHER CEMA ECONOMIES

Duesseldorf WIRTSCHAFTSWOCHE in German Vol 35 No 24, 5 Jun 81 pp 32-33, 36-37, 40, 42

['The Report' Feature article: "East Economy: Fear of Area Conflagration"]

> [Text] The events in Poland have alarmed the world, above all the political leaders in the Eastern Bloc. The conditions that gave rise to the storm are present not only in Poland.

"All of the communist states of East Europe are confronted with an economic crisis that may result in political and social tensions more serious than those in Poland."

This is the conclusion drawn by the Joint Economic Committee of the American Congress from a study of the economic development in the Eastern Bloc. The American researchers predict: "The 1980's are shaping up as a decade that will be of crucial significance for the entire Eastern Bloc."

In fact, Poland appears to be merely the visible tip of the iceberg. As is well known, such a cold colossus shows only about one-ninth to one-seventh of its actual volume. The main body (in this case the USSR, the GDR, the CSSR, Romania, Bulgaria, Hungary, Mongolia, North Korea, Vietnam and Cuba) remains below the surface.

Upon closer consideration, the parallels to Poland are quite evident. In Poland, the outbursts of anger were sparked by the meat price increases; sooner or later, however, the entire bloc will be engulfed in a conflagration, unless changes, i.e. improvements, are instituted.

Consumer goods are scarce everywhere. Meat, the most important food item, is in short supply. According to British observers, toward the middle of last year there broke out in the Soviet Union "the worst food shortage in 20 years." Shortly before the beginning of the Olympic Games, meat and dairy products fell into short supply in the entire country--the guests had to be fed.

At the 26th CPSU Congress, which adopted the new 1981/85 five-year plan, it was admitted that the previous plan was not fulfilled. Nor did the Party attain the objective emphatically stated in 1961 by Nikita Khrushchev, namely within 2 decades to lay the foundations of communism: "The USSR will then have at its disposal matchless productive forces; in the field of technology, it will outstrip the most advanced countries, and in regard to per capita production, it will occupy first

place in the world. On this basis, the socialist social relations will gradually turn into communist relations, and production will develop to the point where the needs of society and of all citizens can fully be satisfied."

The Soviet Union is far from attaining this objective. To be sure, no Soviet citizen is starving. The USSR news agency NOVOSTI proudly reports that the citizens of the Soviet Union "drink far more milk than the Americans and consume twice as much butter, more sugar and only somewhat fewer eggs." However, annual per capita meat consumption in the United States (119 kilograms) is over twice as high as that of the Soviet Union (58 kilograms).

The Soviet citizens are as dissatisfied with the supply situation as are the Poles. But they do not say so--at least not as loudly. In the Soviet Union, too, there were strikes and protests--above all in 1980--but they were far less extensive than those in Poland, and the official press passed them over in silence. Strike reports by Western correspondents were denied as malicious defamations.

However, the Soviet Union cannot conceal the fact that its economic growth has been slowing down. In the last 5 years, plan fulfillment averaged no more than 90 percent. Output of key industrial products was far below target. In 1980, the following plan arrears were registered: 30 million tons of oil; 90 million tons of coal; 15 million tons of steel; 40 million tons of fertilizer and 2 billion square meters of fabric. As regards improvement of labor productivity, plan fulfillment amounted to no more than 85 percent. The labor shortage continued to increase.

The new plan is to change everything: improve management, improve planning, and meet the demands of the population. The investment policy remains restrictive: in all sectors, including energy, the emphasis is on economy.

Food production (increases of 4.5 percent annually) is to be given priority. Agriculture remains an area of main emphasis, even though success has been long in coming. For the second time in a row, the grain harvest (1980: approximately 189.2 million tons) fell short of the annual target. According to the U.S. Department of Agriculture, this year's grain harvest could total over 215 million tons, if the weather conditions are favorable; the plan target of 236 million tons will not be met, however.

The abolition of the grain embargo by the American president considerably eases the burden carried by the Soviet Union, but grain is not the only weak spot: the 1980 sugar beet harvest (79.6 million tons) clearly fell short of the plan target of 98.4 million tons. As compared with 1979, total output of Soviet agriculture declined by 3 percent, notwithstanding the fact that the Soviet Government spares no expense in this sector. In the coming five-year-plan, too, 27 percent of total investments will be directed to the agrarian sector. So far, however, the expenditures are out of all proportion to the results. According to Soviet calculations, an investment of 12 billion rubles would be necessary to increase the annual agricultural output by 1 billion rubles per year; and this production increase of 1 billion contains hundreds of millions of additional costs, for most foodstuffs are subsidized by the state. Summing up the investments and subsidies, one arrives at a paradoxical conclusion: the greater the investments in agriculture, the smaller the national income.

Slowed Growth--The FRG's Foreign Trade With the Eastern Bloc Countries in the Last 2 Years (in Million Deutschmark)

Gedämpftes Wachstum

Außenhandel der Bundesrepublik mit den Ostblockländern in den letzten zwei Jahren (in Millionen Mark)

	1979			1980		
	Ausfuhr	Einfuhr	Saldo	Ausfuhr	Einfuhr	Saldo
Sowjetunion	6624	7381	- 758	7943	7517	+ 426
DDR	5093	4792	+ 301	5875	5855	+ 20
Polen	2464	2207	+ 258	2661	2495	+ 166
Ungarn	2140	1687	+ 454	2194	1819	+ 375
CSSR	1982	1600	+ 381	1892	1901	- 9
Rumänien	1978	1631	+ 347	1623	1599	+ 24
Bulgarien	722	358	+ 364	874	324	+ 550
Kuba	192	56	+ 136	188	105	+ 83
Vietnam	100	9	+ 91	34	12	+ 22
Mongolei	3	2	+ 1	4	2	+ 2

Quelle: Statistisches Bundesamt

Key:

1. Exports
2. Imports
3. Balance
4. Soviet Union
5. GDR
6. Poland
7. Hungary
8. CSSR
9. Romania
10. Bulgaria
11. Cuba
12. Vietnam
13. Mongolia
14. Source: Federal Office for Statistics

The planners are calling for rationalization and increased efficiency in the agrarian sector. But without additional administrative and structural changes, success will be long in coming. But the Soviet leadership--anxious to maintain total control--cannot take the political risk of abandoning the rigid system of planning, of instituting democratization and decentralization of agricultural management.

Nevertheless, private agricultural production is assuming increasing importance. Since the kolkhozes (cooperatives) and sovkhozes (state farms) have not met the expectations, the state is allowing the private producers to increase their output--not out of sympathy for the small farmers, but out of necessity. Business in the free markets is booming; it is developing so rapidly that the leadership now fears the rural population may be tempted by profit considerations to neglect the work in the collective farms and state farms in favor of their private plots. This concern is justified, but the leadership has no alternative. The partner countries cannot be expected to be of assistance. They are in as bad a fix.

The Romanians in particular are having difficulties in the agrarian sector, primarily because they have faithfully been following the Soviet model. Romania's collectivized agriculture still is organized in accordance with Stalinist principles. The machines and tractors are not entrusted to the kolkhozes, but administered by central tractor stations. The restrictions concerning private plots are among the most stringent in the entire Eastern Bloc. The pay of the agricultural workers is far below the wages paid in industry. On 1 January, the state purchase prices for

agrarian products were raised by 12 percent, in order to stimulate production. The increase is financed through the state budget.

The food situation in Romania is quite tense and party leader Nicolae Ceausescu senses the latent unrest. Consequently, he promised that this year there would be no price increases. Nevertheless, the party leadership admonished the population, pointing out that between 1975 and 1980 the consumption of basic foodstuffs had sharply increased, that last year per capita consumption of meat had increased to 62 kilograms from 45 kilograms 5 years ago, and that during this period real wages had increased by 30 percent.

For 1981, the new plan stipulates considerable quota reductions. The national income is to increase by no more than 7 percent (1980: 8.8 percent). However, the 1980 target was not met and in 1979 the increase amounted to a mere 6.2 percent. As for investments, no increases are targeted for this year.

Bulgaria--which aside from Romania has so far been showing the highest growth rates--is pursuing a different strategy. Investments are to be expanded further. But this is the only difference. The economic growth Sofia promises the Bulgarians--who have never been pampered--is of extremely modest scope. Whereas the tourist hotels on Gold Beach and Sun Beach offer opulent meals, the meat counters in the stores for the native population are empty.

This is bound to result in dissatisfaction; it is a signal to the government and the Party to move with caution. The prescription: Agricultural production is to be stimulated; subsidiary farms are to improve the food situation.

However, the improvements are bound to be limited. Both retail turnover and wages and salaries will show only modest increases. The government even announced price hikes, although in view of the events in Poland they are to apply only to the producers. The prices of consumer goods have so far remained unchanged.

After prolonged hesitation, the Soviet Union's most faithful vassal now is seeking salvation in the West. The country plans to purchase technology and to extend cooperative ventures. Western investors are attracted by generous laws regulating the establishment of joint ventures. Sofia does not follow the course of import restriction chosen by its bloc partners for lack of funds. But then Bulgaria's indebtedness vis-a-vis the West (approximately $3.8 billion) still is relatively modest.

In the future, however, it may become more difficult to obtain Western credit. In view of the financial catastrophe that befell Poland, the Western countries are less willing to take risks. The commercial banks in particular will be very slow in granting loans. Western bankers have abandoned as erroneous both the old image of Eastern countries as faithful and reliable debtors and the so-called umbrella theory. To hold a protective umbrella over debt-encumbered partners would overtax the capacities of the Soviet Union: to do this, the Soviet Union would have to put a large part of its gold reserves on the world market. But this would immediately result in a sharp price drop--i.e. an additional depreciation of the Soviet resources.

Meanwhile, the Eastern Bloc countries have become more cautious in taking out loans, even though the demands still are very high; and the demands should be high, since without cooperation with the West, without shipments from the West, the Eastern planned economies would have gone bankrupt a long time ago.

The system of centralized economic planning is not capable of providing performance incentives. And wherever performance incentives are lacking, failures, shortcomings and chaos are the inevitable outcome. Even in those sectors, where free-market elements have crept into the planned economy, the problems are only mitigated, not solved.

A good example in this respect is Hungary, which in many respects deviates from the rigid norms imposed by the system of centralized economic planning. In Hungary, too, the food situation has been deteriorating. In 1980, there was less meat than in 1979. As regards other consumer goods, the demand of the population could not be met. Alarmed by the protest wave in Poland, the leadership hastily revoked food price increases.

The secretary general of the trade union federation SZOT, Sandor Gáspar, urged the government "to protect and maintain the high living standard of the working people." He pointed to the Hungarian trade unions' control and veto right "in all important social and economic sectors." And his admonition was heeded. The minister for domestic trade, Vilmos Saghy, promised the government would "make great efforts to increase food supplies by 10 percent and to eliminate shortages."

The enterprises were instructed to increase the output of consumer goods. And the state expanded consumer goods imports--both from the CEMA partner countries and from the West. The Budapest leadership has not forgotten the events of 1956. It moves with caution so as not to irritate the big brother.

Undoubtedly, the Hungarians live better than their neighbors; in the last few years, however, they have also been living beyond their means. Consequently, purchasing power and living standard are likely to drop rather than rise, especially since a new phenomenon--so far officially nonexistent in the East--is assuming increased importance: unemployment.

The reduction of manpower is a result of the restrictive policy pursued by Budapest. Capital expenditures for enterprises were cut by over 8 percent. Instead of the growth rates of at least 3.5 percent planned for 1980, industrial production decreased by approximately 2.5 percent. Exports were expanded--at the expense of the domestic market--by approximately 5 percent, in order to reduce the foreign trade deficit and to offset the increase in the energy and raw material prices.

The East Berlin leadership pursues a very different strategy. It appears to be satisfied with the agrarian sector, which allegedly will also in the 1980's be able to supply the population with sufficient food. But the problems of GDR agriculture cannot be totally hushed up. Costs are too high and both land and labor productivity are too low. Livestock feed still has to be imported and this necessitates sizable subsidies.

The hoed-crop harvests still fall short of the pre-war level. During the period from 1976 to 1979, the FRG produced 467 quintals of sugar beets per hectare, as

against 266 quintals in the GDR. Ingeborg Hoernecke, mechanizer in the Magdeburg Bottmersdorf Cooperative, gave vent to her disappointment in NEUER WEG, a publication for SED functionaries. She is irritated by the fact "that in the past- nder feudal conditions--our Boerde region produced over 400 quintals of sugar beets per hectare. And this is not possible under socialism, where each individual can fully develop his or her potential?" It is not possible.

Nor is it possible in the CSSR. The 1980 potato harvest fell short by one-third of the plan target, and the sugar beet harvest fell short by 1 million tons. The grain production target was almost fully met. Gustav Husak, party leader and head of state, urged the agrarian sector "to mobilize all reserves so as to help the country cut back on food imports." Even though the agrarian sector is to increase production by 10 percent, it will not be alloted more investment capital during the period from 1981 to 1985.

This applies to industry as well. Said Husak: "In view of the present conditions, we are forced to reduce the investment share of the national income." In the Seventh Five-Year Plan, the GNP is to rise by 2.7 to 3 percent per year, while industrial output is to increase by 3.4 to 3.7 percent. These are the lowest growth rates in the history of the country. Some Western experts feel that even these figures are too high.

The most serious problem confronting the highly industrialized country is to safeguard sufficient energy and raw material supplies for the production sector. The USSR--by far the biggest supplier in this sector—is no longer able or willing to increase its shipments. And for the Soviet goods the CSSR presently receives, it pays dearly, primarily with machines and equipment.

The country still is paying off the mortgage of 1968. After the occupation, Prague turned more and more toward the East. At first, this appeared to offer certain advantages. Instead of searching for outlets on the difficult Western markets, the CSSR supplied the USSR and other CEMA partners with finished goods in return for raw materials and semifinished goods. Due to the all too easy sales, however, the researchers and industry were not motivated to work on further improvements. Consequently, the technological gap vis-a-vis the world standard grew wider and wider. The shock was bound to come and it came: First there came the new oil prices and then the announcement that the raw material shipments from the Soviet Union would be frozen or even reduced. The only way out: Obtain more raw materials in return for hard currency. But the CSSR lacks foreign currency. And the Prague leadership is wary of going deeper into debt.

That leaves only exports. But what can the CSSR export? Agricultural products must be imported; the exports of Pilsen and Budweiser beer--highly esteemed by Western connoisseurs--are not even sufficient to pay for the grain imports.

Thus the leadership cannot think of anything better than to urge the Czechs and Slovaks to save and work. At the Party Congress, Husak did so unequivocally: "It is no secret that there are people who live at the expense of society, that they are not paid for their work, but for going to work."

The admonitions testify not so much to superiority as to panic--as do the constant, nearly hysterical threats addressed to Poland. The Prague leadership feels

insecure. It fears it may lose control. Events such as occurred in Poland would be an outright catastrophe. And what is true of Moscow, East Berlin, Bukarest, Sofia and Budapest is true of Prague as well: the failure of the planned economy fans dissatisfaction among the people.

The danger is seen in the GDR as well, even though the last SED Congress differed from the congresses of the fraternal parties: an optimistic film was shown and great hopes were held out to the population.

However: The ostentatious optimism obviously was inspired by the events in Poland. The bacillus of "democratic socialism" of the Warsaw type cannot be contained by political borders. There is no telling what the consequences will be for the Eastern Bloc and for Poland itself. The authors of the American study on the Eastern Bloc cautiously state: "The present crisis in the central decision-making organs of the East European economies may not only trigger restoration processes, but also give rise to problems beyond the control of the political authorities in those countries."

Strange Results of Economic Planning

The economic planners in the Eastern Bloc countries are unable to bring into line production and demand. As a result, there are shortages on the one hand and wasteful extravagance on the other hand:

Eighty-six percent of the GDR population have vision problems and approximately 50 percent need glasses; but of those in need of glasses, every fifth individual has to wait for a year and sometimes longer. According to the GDR authorities, the long wait is attributable to "production-related assortment gaps."

For a foundry in the Polish city of Lublin, machines valued at 2.3 billion zlotys were imported. Since the plant has not been built, the Western equipment still is in the warehouse, collecting rust. In the Krasnik Roller-Bearing Plant and in the Stalowa Wola Combine, the unused machinery is valued at 1.6 billion and 1.2 billion zlotys, respectively. In the Machine Building Ministry's enterprises alone, the unused machines--85 percent of which were imported--are valued at 10 billion zlotys. Critics of dubious projects have been eliminated or transferred. In one instance, a deputy minister president turned down a project that he himself had proposed when he held the ministerial office.

On account of paper shortage, the central party organ TRYBUNA LUDU was forced toward the middle of 1980 to restrict its volume from twelve to eight pages. And all of the Polish dailies (with the exception of TRYBUNA LUDU and the Warsaw paper ZYCIE WARSZAWY) now come out only five times a week.

Polish farmers who own tractors and other agricultural machinery are not allowed to do any work for their neighbors. The reason given for the new ruling: The equipment owners could exploit their fellow citizens.

The Opole Food Concentrate Plant was forced to interrupt production of its "Bebico" baby food, because the dairies did not supply any powdered milk. The dairies' capacities are insufficient; the machines are obsolete and the failure rate is high. The plants can meet only 10 to 15 percent of the demand for baby food.

Only 50 percent of the Polish welders have protective goggles and screens.

Due to the grain shortage, Poland's vodka exports are in jeopardy. In the opinion of Food Industry Minister Jan Zaleski, it is paradoxical that while there is sufficient grain for the vodka distilleries, the state farms receive only one-third of the feed grain needed. This year, the vodka exports are expected to decline to 25 million liters (1980: 43 million liters). For that matter, the foreign currency obtained for vodka exports would be sufficient for financing grain imports.

An investigation at Bukarest's international Basarab railroad freight depot disclosed a veritable treasury of Western goods. For 5 months, Austrian testing equipment for the Arad Machine Tool Plant was shunted back and forth between Arad and Bukarest. A West German periscope valued at $300,000 was left for years at the Basarab depot. Seventy-four boxes containing parts for dialysis equipment made in the United States stayed in the warehouse from 1977 to 1980, while pump installations for the Bukarest Vulcan Works lay about for 550 days. Italian printer's ink valued at $80,000 was left at the depot for many months and eventually it dried out.

Two thousand rice combines produced in Krasnoyarsk (Siberia) must be transported by rail to Birobidzhan--a distance of 4,000 kilometers--to be placed there on crawler tracks, whereupon they are dispatched to various republics. Frequently the combines travel 12,000 kilometers before the first productive startup.

On account of inferiour harvesting machines, faulty packaging and negligence during transportation, over 60 percent of the Soviet potato harvest is damaged during the harvest and during transportation, with large quantities of potatos rotting in storage.

Four years ago, the Mosrentgen Plant started production of amplified X-ray apparatus. The price: 90,000 rubles. So far, 400 units have been produced, but no more than 100 units have been installed. The other units stand about in the hospitals--unused. The reason: The units are so complex that the hospital personnel cannot assemble them; and so far the mechanics of the manufacturing firm have not put in an appearance.

Due to the lack of spare parts, 15 percent of all locomotives in the Soviet Union are inoperative on any given day.

Tennis balls are in short supply in the Soviet Union. This is because of the inventiveness of Soviet drivers who by means of the balls improve the poor design of the shock-absorbers of the Soviet Shiguli passenger car (export model: Lada).

Soviet industrial cafeterias are short of forks. Forks are available in the stores, but the stores are not allowed to sell forks on account to cafeterias or restaurants; and the cafeterias are not allowed to pay in cash. The forks in the stores are for the ultimate consumer. To increase production of the eating utensils so as to ensure an ample supply for everybody appears to be an unsolvable problem for the planners.

8760
CSO: 2300/268

DEVELOPMENT OF AUTOMOBILE INDUSTRY OUTLINED

Auto Industry Expanding

Sofia VECHERNI NOVINI in Bulgarian 9 Jul 81 p 1

[Text] The Madara Combine in Shumen, the leader in the Bulgarian automobile industry, is one of the most conspicuous examples of the fraternal integration within the socialist community. It was built 25 years ago with the direct economic and technical assistance of the USSR. Now more than 5,000 trucks roll from its assembly line on to the roads of the fatherland, and it also manufactures tens of thousands of axles, assemblies and fittings, and spare parts for our, as well as for the Soviet and Czech automobile industries.

The Eighth Five-Year Plan opens up new horizons for our automobile industry. Since the beginning of the plan a modern painting facility, with an annual capacity of 30,000 driving axles, has gone into operation. The plant for production of automobile axles, one of the combine's major facilities, will be credited to 1981, as well as the steel foundry, which will produce 10,000 tons of casts annually designated for the production of axles and automobile transmissions.

The expansion of the shop for automobile transmissions will be completed in several years; the opening of the shop for cog-wheels and shafts lies ahead; a building with public utilities and a shop for thermal cleaning of all casts will soon be completed. Together with this the reconstruction of the forge and press shop, the galvanizing shop, and the mechanical repair and assembly shop will continue. A new experimental section for trying and testing the new designs created in the center for development and introduction of trucks in the combine will be built.

In the plant in Preslav, a reconstruction of the shop for specialized tops has begun, we well as the creation of a shop for production of auto-frames. In Novi Pazar the plant for auto-flatcars and trailers will be brought up to date, and in the village of Pliska a big expansion of the shop for auto fittings is imminent.

Together with the creation of a new basis and the reconstruction and modernization of the existing facilities, new equipment is being introduced which will bring about an increase of the productivity as well as the quality of the production. Even before the end of this year the first robots in the combine will be introduced in the painting shop and in the section for mechanical processing of cog-wheels. Automated mechanical lines are being prepared for operation in the plant Mostove,

and new manipulators, in the section for production of semi-axles. The new thermal section will be equipped with automated units, and highly productive machines will be used in all other productions.

The new material basis and its contemporary equipment will let the industrial volume in the combine grow more than 20 times by the end of the five-year plan period. The number of manufactured automobiles will increase from 200 at the beginning 25 years ago, to 8,000 annually. The production of assemblies, fittings and spare parts related to the cooperation of the combine with Soviet and Czech automobile plants will increase considerably.

The regular production of the first Bulgarian light truck Madara-1,300 and the new modification of our minibuses will begin. Special attention will be paid to switching to diesel fuel and to achieving high economy in the new modified trucks. In addition to the three types of driving axles manufactured presently, five additional modifications will be developed. The new mechanical gear box Record-2, which has high technical and exploitational qualities, is designated for the needs of the engine production.

The very fact that 75 million leva have been alloted for new construction, reconstruction and modernization of the production capacities of the combine show that the Eighth Five-Year Plan will mark a new stage in Bulgarian automobile building, that even greater achievements will be made in the integration with the other fraternal socialist countries.

Patents in Automobile Transportation

Sofia VECHERNI NOVINI in Bulgarian 9 Jul 81 p 2

[Text] Contemporary automobiles and electronics. The association hardly brings to mind anything but powerful sports cars and some other makes of cars or light trucks, in brief the latest in car engineering. The introduction of new electronic equipment in order to utilize energy and fuels to the fullest and most effectively has become the most important task of the national economy since the time that a decisive course for intensifying production was adopted. Now, when the labor movement for the fulfillment of the congressional resolutions is spreading with new strength all over the country, new untapped resources for even more economical use of energy are being discovered and harnessed.

The workers and employees of the transportation enterprises and institutes in the capital are contributing to the national movement for fuel saving. New technologies are being sought, programs developed and equipment requiring less energy or fuel introduced.

The auto transportation enterprise OP [Okrug Enterprise] Taxi-Transportation in the capital, which is under the City Transport Chief Administration, has found the greatest reserve for the most efficient utilization of fuels in the development and introduction of new devices which lower the use of gas and diesel fuels. As early as 3 years ago, at the very beginning of the popular movement for economic utilization of energy resources, this enterprise introduced a strict regime for saving

fuel in cars and light trucks. A team from OP Taxi-Transportation, with the help of experts from VMEI Lenin [Higher Machine-Electrical Institute] and the Combine for Diesel Engines Vasil Kolarov in Varna, developed and patented an analog-digital device for controlling the flow of fuel. It can be used by all gas engines and ensures more than 10-percent gas saving. Another important advantage of this device is that it does not release carbon dioxide into the atmosphere. The same group of people created microprocessing device #51810, which achieves a most efficient utilization of fuels and optimally fulfills the task. If programed correspondingly, this electronic device will be able to work in any diesel engine. It also decreases the exhaust gases' toxicity by 60 percent.

Last year this enterprise sought another method to save fuel. The engine of a Lada car was replaced by a diesel one and an electronic device to control its work was installed. The test of about a year and 40,000 km shows that this car uses five times less fuel than gas engine cars. This is a major untapped resource for lowering the cost of traveling on streets in the big city. Their ambition now is to start installing the first electronic devices in taxi-cabs and trucks of the SO [Economic Trust] International Auto-Transportation by the end of this year.

The development and improvement of new devices and equipment is one of the methods of utilizing fuels optimally while protecting the environment from pollution.

9804
CSO: 2200/125

DEPUTY MINISTER DISCUSSES FOOD INDUSTRY GROWTH, OUTLOOK FOR 1981-1985

East Berlin LEBENSMITTELINDUSTRIE in German Vol 28 No 4, Apr 81 pp 145-147

[Article by Prof Dr. Klaus Borkmann, deputy minister, bezirk-managed and food industries: "On the Development of the Food Industry During 1976-1980 and in the 1981-1985 Five-Year Plan Period"]

[Text] 1. Development in 1976-1980 Five-Year Plan Period

Through the Directive on the 1976-1980 Five-Year Plan, our republic's food industry was given the assignment of guaranteeing the rising requirements of the population through a steady and continuing supply in terms of quatity, qualtity, and assortment, with special emphasis on sound nutrition. In order to attain this high goal adopted by the party and the government, the workers successfully undertook major efforts.

The results achieved as of 31 December 1980 prove that our record is good. We can come up with the following situation estimate:

The primary tasks assigned to the food industry regarding the development of industrial commodity production, labor productivity, supply with selected products, and quality improvement were surpassed. The development of the food industry was steady and according to plan.

The result which took effect in terms of supplies for the population rose in the food industry on the whole, compared to 1975, in a higher proportion. In the case of selected products, the following quantitative increases were achieved in 1980, as compared to 1975:

Cocoa products: to 114.3 percent
Non-alcoholic beverages: to 135.0 percent
Beer: to 117.5 percent
Dough products: to 114.6 percent

The foundation of output development consisted of the results of measures taken in the field of science and technology.

Quality development is characterized by the fact that the output of products with the quality grade "Q" was increased to 231.4 percent and that 57 enterprises were able to win the title "Enterprise With Excellent Quality Work."

The output share of newly developed and improved products increased considerably with 186 percent.

The economic-organizational prerequisites created in 1979-1980 for the management of the reproduction process on the basis of high-performance combines constituted the decisive basis for an intensive push in the output and effectiveness increase. In these new economic units, major progress was achieved in terms of the creation of prerequisites for guaranteeing the complexity of management as well as the discharge of enhanced individual responsibility for the compact reproduction process.

This positive development is reflected proportionately in all branches of the food industry. This is documented by the following examples.

1.1. Stabilization of Supply to the Population

The constant improvement in the supply of the population with products, especially basic items, is illustrated among other things by the rising per-capita consumption:

		1975	1980
Durable bakery goods	kg	4.11	4.36
Cocoa products	kg	2.95	3.38
Confectionery	kg	3.89	4.37
Dough products	kg	2.46	2.80
Beer	l	119.0	139.0
Non-alcoholic beverages	l	70.0	82.0

This result was achieved especially through the following:

The comprehensive utilization of scientific-technological results deriving from research and development and

The specifically goal-oriented and concentrated employment of available investment funds.

Examples for the successfully completed undertakings which were transposed into the production effort are the large-volume fermentors in the open-air design for the fermentation and aging of beer, the production of pastry and confectionery goods on variable assembly line systems, and the use of new emulsifiers in the oil and margarine industry as well as in the candy and bakery goods industry.

The investment funds made available for the five-year plan were used up to the extent of 66 percent for the accelerated development of the bakery goods and beverage industry. In this way it was possible to complete and to place in operation a total of 16 new bakery goods enterprises and breweries between 1976 and 1980.

The following, for example, were built, with the required capacities: the big bakeries at Berlin-Pankow/Heinersdorf, Weissenfels, Annaberg, and Bernau, as well as the beverages enterprises in Neubrandenberg, Dresden, and Postdam, all of which are new structures. In addition, numerous intensification measures took effect through the specifically goal-oriented reconstruction of existing enterprises in the two industry branches mentioned but also in all other sectors of the ministry. Here we might mention especially the measures aimed at the rationalization of production processes in the dough products, durable bakery goods, condiments, and fish industries.

The workers in the ocean fishing, coastal fishing, and inland fishing industries and in the fish processing industry worked extraordinarily hard in order to make fresh fish and fish products available for a reliable supply under ever more complicated international fishing conditions. Here we concentrated the inland fishing industry on trout while the ocean-going fishing industry brought in new types of fish (iced fish, whiting).

On the whole we can say that the supply with food industry products was secured in a stable fashion.

1.2. Quality Development

The criterion for the development of product quality in the food industry is the production of products with the quality grade "Q". The Spirits, Wine, and Champagne Combine has achieved the largest share of these top quality awards to commodity productions subject to mandatory classification at this time with about 63 percent.

The food industry quality level was essentially determined by the 57 previously mentioned enterprises which were able to win the title "Enterprise with Excellent Quality Work." Among that number, 23 have already been awarded the diploma for winning the title ten times while five enterprises were able to earn the diploma for successfully defending their title 15 times. These enterprises turn out about 30 percent of the total food industry commodity output. They are the pacesetters in the branch when it comes to achieving high quality in management, organization, and production.

1.3. Product Development

Regarding product development, visible progress was made in recent years. It includes the entire assortment of production, with special emphasis on specific price categories. One main point in new development here was the production of delicatessen items, particularly from the view point of developing high-grade domestic products to replace direct imports.

Particularly great initiatives were triggered in the field of product development on the occasion of the 30th anniversary of the GDR and by way of preparation of the Tenth SED Party Congress. As part of the obligation movement, new developments and improvements will be made available in 1981 with a value of more than M1.2 billion for the population. Important supply items here above all include new durable bakery goods, ready-to-bake flour, cocoa products, confectionery, low-energy non-alcoholic beverages, delicatessen margarine, and baby foods. By way of example for these new products we might mention the ready-to-bake flour mixtures in six different assortments, durable baking mixes and Danish pastries, instant powdered beverages, the margarine brand "Marella" salad dressings and condiments, five new fish products, new assortments of wine, champagne, and spirits, an assortment of "pizza bakery goods," as well as a special whole-grain bread assortment.

2. Food Industry Development, 1981-1985

During the new five-year plan the important thing is to stabilize the output increase that was achieved and qualitatively and quantitatively to satisfy the continually rising requirements of our population for high-grade food products. For this purpose it is necessary to continue to raise the supply level especially

through higher quality in the cooperation of all branches of the national economy involved in the supply of food stuffs, ranging from agriculture via machine-building and the packaging equipment industry all the way to retail trade.

L. Brezhnev's statement always applies to the GDR food industry when he said the following in the activity report to the 26th CPSU Party Congress: "The specific concern with the specific individual, as well as the production of goods for the population are the most important concern of the party." In order to express these thoughts in fact, our efforts must be oriented toward the following main points:

The level and stability we have achieved in supply, especially with qualitatively high-grade products in bakery and durable bakery goods, confectionery items, as well as in the beverage, dough products, oil and margarine industries, and in the fish industry must be constantly improved and special attention must be devoted here above all to the supply of new products for sound nutrition and for children.

The new development and improvement of products must be consistently concentrated on raising the share of products with the highest quality award and this must essentially contribute to output increases. The international top-level standard must be taken as a criterion here.

The output increase must be achieved mostly through measures in the field of science and technology. Here, highly effective methods and equipment, with low cost and high productivity, assume decisive significance. Valuable imported raw materials must be used efficiently and must increasingly be replaced by domestic raw materials. That applies above all to the candy and pastry, beverage, and bakery goods industries.

The republic's food industry will achieve the following output increases during the period of 1980-1985 as compared to 1980:

Industrial commodity production at industrial sales prices, to 114.2 percent;

Finished products for the supply of the population, to 114.1 percent;

Production with the "Q" quality award, to 148.0 percent;

Labor productivity, to 114.8 percent;

New developments and improvements of products, to 178.3 percent.

The output increase designed here confronts food industry workers with a new and treat best of strength. In addition to consistent planned discipline, it calls for the creative utilization of available reserves, the comprehensive implementation of all measures under the science and technology plan, and investment policy which is specifically oriented toward main points, and the rapidly growing development, production, and use of rationalization resources from the output of the food industry.

Research and development will be concentrated primarily on the following tasks:

New development and improvement of methods for the complex intensification of entire production sectors, for example, in the brewery and distillery industries, but also for the production of new products with high utility values;

The concentration of rationalization in transportation, transloading, and storage processes;

An increase in the degree of refinement of raw materials and intermediate products, for example, crystal fat powder, dry albumin, and enzymes;

Minimizing the specific material consumption, especially in the form of imported raw materials, by using domestic raw materials, but also by lowering the transportation, processing, and storage losses, for example, in grain products used for nutrition;

Reduction of energy use to a minimum, especially in connection with energy-intensive baking, extraction, and distillation processes;

Improvement in the ratio between expenditure and benefit in connection with investments and in product manufacturing;

Development of new raw material bases especially in the case of fish (including the more effective utilization of the entire catch volume);

Employment of microelectronics and development and utilization of handling mechanisms, robots, and automation equipment.

The planned accomplishment of research and development tasks is decisively supported by the further concentration and by a significant increase in the research potential of the food industry in cooperation with the research facilities of the Academy of Sciences, GDR, the universities, as well as colleges and technical schools.

Much attention must be devoted to the development of rationalization equipment construction for the food industry. The rationalization enterprises of the combines must increase the output volume here to about 230 percent by 1985, as compared to 1980. We must in a specifically goal-oriented manner concentrate on the production of special machines, machine systems, and spare parts to replace imports from the nonsocialist world, as well as the supply of handling mechanisms and robots.

Between 1981 and 1985 our investment policy will be essentially determined by the requirements arising from the need to replace fuel oil and the priority completion of new construction and reconstruction projects which have been started. In that connection and in building up new production lines as well as in the rationalization of transportation, storage, and transloading processes, we must without any compromise start with international top-level standards. The planned implementation of investments must be guaranteed through high quality in preparation and the timely involvement of all partners through the combines and economic councils of the bezirks.

The increase in industrial commodity output in the food industry primarily is overshadowed by the aspect of quality improvement. The important thing here not only is to guarantee the quantitative supply in keeping with requirements but also to a much greater extent than has been the case so far to emphasize qualitative development in

keeping with the requirements of nutrition physiology. This is why the task consists of the following:

To include those new developments in the science and technology plans which attain the "Q" quality award;

Decisively to increase the proportional output of existing products which have the "Q" quality award;

Further to develop products with the "I" quality award into top-level quality products;

And to allow reduced goals in the development of products only in special cases which must be the exception.

We are convinced that our republic's food industry workers will--in spite of the continually tighter conditions regarding the supply of raw materials and auxiliary materials--step up their efforts and attain and surpass the high targets of the new five-year plan. Through the pledges made in honor of the Tenth SED Party Congress, to achieve an additional work-day output, the combines and the enterprises of the food industry have created a solid foundation for themselves in this effort.

5058
CSO: 2300/285

LAND USE LAW PROTECTS AGRICULTURALLY USEFUL AREAS

Explanation of Law

East Berlin PRESSE-INFORMATIONEN in German No 43, 14 Apr 81 pp 3-4

/Article by Dr Rudolf Mueckenberger, department chief, Ministry for Agriculture, Forestry and Foodstuffs: "Still More Protection for Agricultural and Forestry Lands." A translation of the official text of the law discussed below follows this article/

/Text/ The GDR Constitution spells it out quite clearly: The land is one of the most valuable natural resources of our country. To protect it even better and use it more rationally, a new "decree on the protection of agricultural and forestry land and secure socialist land use--land use order" (GBL Part I No 10, 14 April 1981), has been promulgated. It replaces a decree dating from 1965 and takes effect on 1 May 1981 .

It is the purpose of the law to help use every suqare meter of land as efficienty as possible. The agricultural enterprises are obligated to cultivate it appropriately, develop more land for farm use and guarantee the steadily greater and stable output per hectare. Moreover the new regulations give greater emphasis than earlier measures to the protection of agricultural and forestry land against diversion by other sectors. That is particularly necessary, because the rapid growth of industry, the infrastructure and, most of all, housing construction requires the availability of land to a certain extent.

Sequence Established

The main points of the decr e are those regulations which strengthen protection of the land against nonagricultural use. In future state plan targets will mandate use. Any change must be applied for and is subject to approval.

For investment projects which call for land, such land should first be used which is not farmed or exploited by forestry. If that should not be possible, the land with the lowest yield should be selected. Arable land, fruit orchards and other intensively farmed areas may in principle be diverted only for such investments which cannot be carried out in any other location, such as the extraction of mineral raw materials or the construction of water reservoirs. The earth moved for such purposes must then be used to improve the fertility of other land. Work may begin only after the harvest or on lots kept vacant. When construction is going to take

a long time, only that amount of land will be made available, which is actually needed at any given time.

These aspects will have to be considered as early as the confirmation and approval procedure for the location. The socialist farm enterprises affected will be consulted at the earliest possible moment with regard to the decision.

Socialist Democracy Further Extended

The new law assigns more rights and duties to the councils of local state organs. They will decide in their region whether and on what terms land may be used for non-farming purposes. Depending on the size of the area, the chairmen of kreis or bezirk councils will personally and finally decide the issue, with the advice of the councils for agricultural production and the food industry.

It is appropriate to the development of our socialist democracy that our citizens will in future be actively involved in state management in this field also. Honorary (part-time) land commissions will be set up to assist the councils and strengthen social control, and they will be instructed by the chairmen of the kreis councils. Where necessary that may also be done at bezirk or city/community level. Their duties will include checks both with regard to the efficient agricultural and forestry use of the land in accordance with the type of utilization recorded and its most economical utilization for necessary non-farming measures. They will cooperate in site selection.

Affected farming enterprises must be involved in all decisions on land use. In socialist cooperatives and their cooperative facilities these decisions will be discussed by plenary meetings, functionary meetings or councils of cooperative facilities. No doubt this will better meet the concerns of all those involved. Prompt and comprehensive knowledge of measures to be expected helps properly to exploit all opportunities in order as much as possible to deflect disadvantages for farm production.

Also fully taken into account will be cooperative social property. Early agreement will have to be established with the non-farming user on how to compensate the economic disadvantage arising. Land no longer needed is to be returned to farming to the greatest possible extent.

In general the regulations ensure that socialist agricultural enterprises will be able despite changed conditions to continue their operations, and that the LPG's will not suffer any loss of profit. Compensation is not only financial, in fact priority will be given measures which will be production effective.

The decree also includes analogous rights for the Union of Small Gardeners, Settlers and Small Livestock Breeders and the German Union of Sports Fishermen. Instructions for the public, for example, point out that agricultural land may not be driven on nor garbage deposited on it or in the forest.

In the interest of the most effective utilization of land a fee regulation was issued at the same time. This includes sensible sanctions to be imposed in the case of offenses.

Text of Law

East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German Part I No 10, 14 Apr 81 pp 105-114

/Official text of "Decree on the Protection of Agricultural and Forestry Land and on Assuring Socialist Use of the Land--Land Use Decree, dated 26 February 1981," signed by W. Stoph, chairman, GDR Council of Ministers, and Kuhrig, minister for agriculture, forestry and foodstuffs/

/Text/ Agricultural and forestry land is the irreplaceable main means of production of agriculture and forestry and a crucial source of social wealth. To steadily better supply the public with high-quality food and industry with raw materials from domestic sources requires efficiently to use the agricultural and forestry land available to only a limited extent, to protect it and steadily raise soil fertility. The following is decreed to protect agricultural and forestry land and safeguard the steadily rising agricultural and forestry output:

Section 1

General Regulations

Article 1

Scope

(1) This decree regulates the duties, requirements and conditions to be met before efficiently used and protected agricultural and forestry land (hereinafter designated land) may be diverted, the planning of the availability of land for investments and other measures, and the procedures for granting use rights in cases where land, buildings and facilities are needed for non-farming purposes.

(2) This decree applies to

a) State organs with respect to the duties involved in the management, planning, organization and supervision of the protection of land and the assurance of socialist land use,

b) VEG's /state farms/, LPG's, GPG's /horticultural producer cooperatives/ and their cooperative facilities, producer cooperatives of inland fishermen, the VEB Inland Fishery, state forestry enterprises and other socialist cooperatives, enterprises and facilities which carry on agriculture, forestry, horticultural or inland fishing production (hereinafter designed socialist farm enterprises),

c) Social organizations whose members productively use land for sensible leisure and physically active recreation (hereinafter designated social organizations),

d) State combines and combine enterprises, other enterprises and facilities, state organs and state facilities, social organizations and associations as well as cooperatives diverting land to non-farming purposes, co-use it or restricting its use (hereinafter designated non-farming users).

(3) This decree applies also to other legal entities, owners and users of land (hereinafter designated other users) and citizens with respect to the protection of the use of agricultural and forestry lands as well as farm crops and inland waterways used for fishing.

(4) This decree does not apply to

a) Persons claiming land, buildings and facilities for purposes of national defense,[1]

b) Wismut mining.[2]

The said persons and Wismut mining personnel must adopt suitable measures so that only absolutely necessary land is diverted, co-used or subject to use restrictions.

(5) Articles 11, 14, 15, 16, 18, 21 and 23 are not applicable to the removal of accidents and disruptions as well as prompt precautions against threatening accidents and disruptions of pipes and other facilities on diverted or co-used land. In these cases the measures adopted must be promptly reported to the socialist farm enterprise or social organization, the damage contained as far as possible in the actual conditions by appropriate cooperation with the socialist farm enterprise. Any damage arising must be compensated.

Article 2

Definition

(1) Land in the meaning of this decree consists of

a) Agricultural areas with the exception of kitchen and decorative gardens as well as small gardens which are not small gardens of the Union of Small Gardeners, Settlers and Small Livestock Breeders,

b) Land areas of small gardens, small garden clusters other communal gardens and settlements of the Union of Small Gardeners, Settlers and Small Livestock Breeders (hereinafter designated VKSK small garden clusters),

c) Forest land (forests and woods),

d) Osier plantations,

e) Inland waters used for fishing, including those inland waters which were handed over to the Union of Sports Fishermen of the German Democratic Republic for care and use.

(2) Buildings and facilities in the meaning of this decree are buildings and facilities of socialist farm enterprises and social organizations.

Section 2

Security of Agricultural and Forestry Land Use

Article 3

Aim of Land Use

(1) Land use is aimed at the cultivation of all land recorded as agricultural and forestry land, inland waters and other land for maximum output combined with the steady rise in soil fertility and the productivity of inland waters, the development of more land for agricultural, forestry and fishing use (hereinafter designated agricultural and forestry use), the assurance of steadily greater and stable production per unit of land and, at the same time, the safeguarding of environmental concerns. The most rational possible agricultural and forestry use is to be achieved for land which is subject to multiple use by society (potable water conservancy, flood areas, fishing protection areas, and so on), in accordance with the respective requirements arising from protective regulations.

(2) Land use is targeted, in particular,

a) Steadily to increase agricultural output, raise its efficiency and thereby secure stable and constantly improving supplies of food for the public and raw materials for industry from domestic production, guarantee the appropriate availability of fodder including the necessary fodder reserves for the improvement of the efficiency of livestock, and produce seeds and seedlings as required and at the best possible quality.

b) Permanently to raise timber production and improve the environmental function of forests,

c) Raise fish production and ensure the largest and stables possible production of fry.

(3) Land use by social organizations aims to secure appropriate leisure facilities and physically active recreation coupled with the simultaneous productive cultivation of the land.

Article 4

Requirements on Land Use

(1) Land use by socialist farming enterprises requires in particular

a) The planned use of arable land as per scientifically based and stable crop rotation, the planting of the highest yielding crops obtainable i.. the respective local conditions as well as the most far reaching possible cultivation of intermediate crops, taking into account the needs of the economy,

b) The intensification of pasture land management,

c) The assurance of all measures needed for the planned expanded reproduction of soil fertility,

d) The implementation of measures for keeping the land, the growing and harvested crops healthy as well as purposefully using plant protection,

e) The expansion of the land fund by cultivation and recultivation,

f) Meeting the demands of environmental control, including protection of waters,

g) The planned management of forestry land by intensification measures to maintain and improve soil fertility, afforestation and reforestation by types of trees appropriate to the location, and the assurance of the orderly maintenance of woods,

h) The efficient use of inland waters for the greatest possible fish production and the assurance of the necessary water quality.

(2) The measures required for all this are to be adopted by bezirk and kreis councils as well as socialist farm enterprises on the basis of economic and enterprise plans as well as long-range programs for improved land use.

Management and Planning

Article 5

(1) Socialist farm enterprises as well as other users are obligated efficiently to use the land.

(2) Socialist farm enterprises must use every opportunity for the planned expansion of the agricultural area, especially arable land, and prevent any unjustified infringement on land use.

(3) The development of areas used for agriculture, forestry and inland fishing must be planned by way of state plan targets by the socialist farm enterprises, the councils of communities, cities, kreises and bezirks as well as the Ministry for Agriculture, Forestry and Foodstuffs and the State Planning Commission. The State Planning Commission submits to the Council of Ministers the state targets for the development of land used for agriculture, forestry and inland fishing (hereinafter designated state plan targets), together with the drafts of the five-year and annual plans. The Council of Ministers subsequently decides on these. On the basis of land use documentation the socialist farm enterprises must bring evidence of land use, and city and community councils must do the same for land not used by socialist farm enterprises.

(4) The councils of bezirks, kreises, cities and communities, in closer cooperation with the socialist farm enterprises, must guarantee and supervise the efficient use of the entire land area of the region. On the basis of the legal regulations in effect land areas with undetermined use must be made available to orderly use, if possible by socialist farm enterprises or the Union of Small Gardeners, Settlers and Small Livestock Breeders.

Article 6

(1) Ministries and other central state organs as well as bezirk and kreis councils are responsible for the implementation of the measures necessary to assure the agricultural and forestry use of the land and for the protection of the land.

(2) The chairmen of bezirk and kreis councils as well as their technical deputies and full-time council members are authorized to assign to socialist farm enterprises and non-farming users obligations for the prompt observation of the duties involved in securing agricultural and forestry land use and for protecting the land as set out in legal regulations.

Article 7

Land Commission

(1) To help kreis councils in the state management and planning of land use, strengthen social checks on the efficient use of the land and the observation of obligations for its protection, honorary, part-time unpaid land commissions are to be set up, headed by the chairmen of the kreis councils.

The chairman of the kreis council appoints the members of the land commission. Land commissions may also be set up at bezirk councils.

(2) The land commission has the duty

a) To carry out checks on the extensive use of the entire available agricultural and forestry area within and without the agricultural and forestry land fund, including the realization of the measures of the long-range programs for improved land use,

b) To review in socialist farm enterprises the orderly recovery and cultivation of the entire available land as per the reported types of use and of crops,

c) To cooperate in the selection of sites and in checks on the observance of measures for the protection of the land if non-farming use of land is indicated,

d) To check at the beginning and during the implementation of non-farming use whether the measures fully agree with the permit and the contract concluded with the socialist farm enterprises, and whether the land use fees are duly paid,

e) To check the punctual return of or making available agricultural and forestry land including recultivation appropriate both in quality and time by the non-farming user for renewed agricultural and forestry use.

(3) The members of the land commission have the right

a) To ask for information and reports within the scope of their duties from the manager charged with the implementation of non-farming use or the chairman, director or manager of the socialist farm enterprise, keeping in mind safety and order. They are also entitled to review any documents affecting the land and its protection.

b) To take the personal particulars of people who infringe the regulations on land use or land protection.

c) Promptly to submit to the head of the land commission proposals for mandatory obligations or fines when noting defects or the persistence of defects at the time of follow-up checks.

(4) With the approval of the chairman of the kreis council land commissions with the duties and rights listed in paragraphs 2 and 3 may be set up at city and community councils also.

(5) Local councils make sure that the part-time members of land commission are able to identify themselves as such when carrying out their functions as per paragraph 3.

Article 8

Changes in Land Use of Crops as Well as Use Rights

(1) The land must be cultivated as per the type of use recorded in the land use documentation. Insofar as land use documentation is supplemented by a report on types of crops, this also applies to cultivation by types of crops.

(2) Changes in the type of use and crops must be reported or are subject to approval. Changes of use rights in the land are subject to approval insofar as this is provided in the legal regulations on the state management and supervision of real property transactions.[3] Changes in use rights of the land not subject to approval must be reported.

(3) Approval for changes in the type of land use or crops is given by

a) The chairman of the kreis council, after discussion in the kreis council for agriculture and the food industry, in the case of agricultural areas except for conversions to waste or infertile land,

b) The chairman of the bezirk council in the case of forests and woods, osier plantations and inland waters used for fishing as well as the conversion of an agricultural area to waste or infertile land.

(4) Bezirk and kreis councils may assign to their deputies for agriculture, forestry and the food industry or for agriculture and the food industry the duties as per paragraph 3.

(5) If a change in the type of use or crops or use rights is carried out without the necessary approval, the competent kreis council may require land use to be restored to the previous type of use or crop or to the previous user.

Section 3

Requirements Regarding the Protection of the Land Upon Diversion, Co-Use and Restriction of Use

Article 9

Principles for Making Land Available

(1) If, for justifiable reasons, land must be permanently or temporarily diverted, co-used or its use restricted (hereinafter designated non-farming use), care must be taken to ensure that

a) Mainly such land is used as has the least yield capacity or suitability for cultivation,

b) Only the absolutely necessary area is claimed and proof brought of the observation of scientifically, technologically and economically justified land need normatives for frequently occurring similar investments or, in all other instances, the land need is confirmed by an organ superior to the applicant,

c) The land may be used for agriculture and forestry up to the time when it is definitely needed,

d) The new use and the objects erected thereupon agree as much as possible with the interests of agricultural and forestry use, and that--consonant with the status of scientific-technological progress and economic opportunities--damage to agricultural and forestry use by smoke, gas, dust, and so on, is avoided as far as possible.

(2) If, at the time non-farming use is to begin, the land still carries cultivated crops which could not be harvested due to bad weather, the earliest possible harvesting is to be assured before the diversion. The diversion of land not harvested is inadmissible.

(3) To provide maximum security of agricultural and forestry use of the land in cases when, for economically justified reasons, the land is needed for investments and other measures, the following types of non-farming use are to be used and agreed between the non-farming users and the socialist farm enterprises:

a) The restriction of use in conditions which harm especially planting, cultivation or intensification, or result in reductions in yield without the land itself being directly taken over by the non-farming user,

b) Co-use for a limited time, if temporary non-farming use for a period not exceeding 1 year allows the subsequent appropriate agricultural and forestry use of the entire earlier management unit, if necessary with the exception of the location of masts, signals, water levels, and so on,

c) Permanent co-use if non-farming use allows the further appropriate agricultural and forestry use of the entire earlier management unit, if necessary with the exception of the location of masts, signals, water levels, and so on,

d) Temporary diversion if non-farming use prevents the appropriate agricultural and forestry use temporarily but no longer than 5 years, and if, in the case of mining enterprises planning to dump on cultivated land and land suitable for cultivation, planned provisions exist for taking away the dumps,

e) Permanent diversion if the appropriate agricultural and forestry use is impossible for more than 5 years due to non-farming use.

(4) The permanent diversion of land by non-farming users and for investments by socialist farm enterprises excepting those designed to intensify crop production is permissible only within the scope of assigned state plan targets.

Article 10

Protection of the Land Against Permanent Diversion

(1) Land may be permanently diverted from agricultural and forestry use for investments and other measures only if no other suitable land is available, and the diversion has been taking into account in the planning of the development of land funds in the economic plans.

(2) In principle no land may be permanently diverted for tips, construction site facilities, storage depots or garages.

(3) Unless site-related investments so require (extraction of mineral raw materials, the construction of reservoirs, and so on), arable land, orchards, irrigated or drained pasture land, VKSK small garden clusters or parts thereof, tree nurseries, tree plantations, choice seed and seedling nurseries and test farms, wood conversion stocks in areas suffering from pollution by emission as well as industrialized facilities for fish production and pond management may not be diverted as a matter of principle.

(4) The bezirk council will decide the exceptions necessary for overall economic reasons to the provisions of paragraphs 2 and 3. The bezirk council may delegate to the kreis councils decisions on the diversion of arable land up to 0.25 hectares for purposes of necessary social and housing construction.

(5) Non-farming users are obligated in the case of intended investments to investigate whether it is possible to carry out these investments

a) On existing enterprise sites,

b) Outside land used for agriculture and forestry,

c) On land with minimal yield capacity or suitability for cultivation.

The result of this investigation must be submitted in the course of site confirmation and site approval proceedings.

(6) Unless joint implementation of the non-farming measures and subsequent investments is possible or necessary, the measures required for the maintenance of the

production volume in the case of permanent diversion of land, buildings and facilities must be so planned, prepared and carried out that they are definitely production effective at the time of the permanent diversion of land, buildings and facilities.

Article 11

Protection of the Land in the Case of Temporary Diversion, Co-use and Restricted Use

(1) Land used for agriculture and forestry may be temporarily diverted, co-used or its use restricted only if the economic necessity of such diversion, co-use or restriction can be proved. Without the permission of the socialist farm enterprise or other authorized users, non-farming users or citizens may not drive on agricultural or forestry land except on roads or paths, nor may they impede use in any other way.

(2) Any work by non-farming users is permissible only on uncultivated or harvested land. Taking into account the plan quotas of the non-farming users and the possibilities of reconciling them with agricultural land use, the non-farming user and the socialist farm enterprise must agree the point in time when this condition is fulfilled. The temporary co-use of cultivated land is permissible if it does not permanently damage the crops.

(3) The temporary diversion of land for building site facilities, storage depots for building materials and equipment is permissible only within the scope of land need normatives or the land need confirmed by the superior organ. In the case of temporary diversion, brief periods of diversion or diversion in sections must be employed as much as possible to ensure that the use of the land to be made available is secured for that harvest year.

(4) In the construction of above or below ground lines, roads, ditches, and so on, the lines should run at the edge of the cultivation units (fields, parcels). If the lines must run differently for reasons of economy or function, above ground lines, roads, ditches, and so on, are to be so located that the uniform utilization of the cultivation unit remains possible and no odd parcels arise, which can either not be cultivated at all or only with great difficulty. Underground lines must be so laid in accordance with state standards, agreements, and so on, that cultivation is not hindered nor the subsoil of agricultural areas loosened, and that the land may continue to be driven on by farm equipment and trucks without risk.

(5) Underground telecommunication lines must be laid in protected cable strips (5 meters to the side of public or private roads). The depth will depend on state standards. If it is necessary to diverge from the protected cable strip when laying the cables, the provisions of paragraph 4 apply unless there are standards on laying depths.

(6) The non-farming user must make sure that the network of agricultural and forestry irrigation and rainage facilities of socialist farm enterprises continues to function. Any damage to these facilities related to the non-farming measures must be promptly made good at the expense of the non-farming user. Damage arising or noticed later and related to such measures must be made good at the expense of the

non-farming user up to 5 years after the conclusion of these measures unless other legal regulations stipulate the unlimited obligation for the removal of damage. If appropriate documentation is available regarding the network of irrigation or drainage facilities, or if such documentation has to be provided in instances specified in legal regulations,[6] the socialist farm enterprise must convey this to the non-farming user for information before the start of construction.

Article 12

Protection for Cultivated Soil and Soil Suitable for Cultivation

(1) When land is permanently diverted, the cultivated soil no longer needed for farm use and soil suitable for cultivation turned up in the course of construction and not needed for other purposes, provided the quality or volume of such soil may improve the fertility or suitability for cultivation, must be carried off and incorporated in arable land at suitable locations in the management areas of the respective socialist farm enterprise, unless suitable locations of other socialist farm enterprises are closer to hand. If several locations are equally appropriate for the improvement of fertility or the suitability of cultivation of the land, the closest one is to be selected.

(2) In the case of the permanent diversion of land in connection with the extraction of mineral raw materials by strip mining, any opportunity for the selective removal of the most suitable cultivable soil for the optimum reclamation and qualitative improvement of the areas returned must be resolutely used and extended on the basis of soil geological expert opinions (prior expert opinions) and variant investigations to be submitted in the course of investment preparation. In cases where the comprehensive selective preservation of the cultivable soil for restoration is not possible, the cultivated soil must be separately removed and used to restore or improve soil quality at other sites, provided its quality or volume make it possible to improve the fertility or cultivation of land. Is the prompt use of the cultivable and cultivated soil not possible, the respective mining enterprise must dump it for later use in the reclamation of farm land. If the prerequisites for the selective preservation of cultivable soil or the separate preservation of cultivated soil do not exist in brown coal mining, site improvement must be applied.

(3) In the case of the permanent diversion of land any peat on the site (black, white or low moor peat) must be separately extracted, stored if necessary and made available to socialist farm enterprises as a matter of priority, either as compensation for economic damage or for a consideration ex mine.

(4) The measures as per paragraphs 103 must be carried out in accordance with a documentation to be submitted by the non-farming user to the kreis or bezirk council and to be confirmed by the latter. In addition the legal regulations on reclamation[7] apply to land used for mining. The confirmation by the kreis or bezirk council proceeds on the basis of the settlement most appropriate to the economy.

(5) In the case of earth removal involving temporary restrictions on farming in the agricultural area, the cultivated soil is to be lifted off, stored separately and returned to its original site when the work is completed.

Article 13

Protection of the Land in Site Confirmation and Site Approval Proceedings

(1) If the non-farming use of land belonging to socialist farm enterprises or social organizations is envisaged, the non-farming user must agree--before the site confirmation and site approval proceeding--with the socialist farm enterprise or social organization and record such agreement whether and on what terms the stipulated land may be made available, taking into account future economic requirements as well as the completed or stipulated agricultural investments.

(2) In cases where a site confirmation and site approval proceeding is stipulated for an investment requiring non-farming use, all measures for the protection of the land must be reviewed and represent part of the basis for decisionmaking. To be involved are the bezirk council, section agriculture and food industry or section forestry, or the kreis council, section agriculture and food industry. The result of the coordination as per paragraph 1 is to be included in the review. The necessary decisions and measures as per articles 14 and 15 must be prepared simultaneously with the site confirmation and site approval proceedings.

Approval

Article 14

(1) The non-farming use of land, the diversion of buildings and facilities as well as the permanent diversion of land for investments by socialist farm enterprises--excluding those designed for the intensification of crop production--require approval as per Nos 1-3 as well as prior discussion by the council for agriculture and the food industry.

The approval is issued by:

1. The chairman of the kreis council with respect to

   a) Restrictions on farming use,

   b) Permanent or temporary co-use of agricultural areas,

   c) Permanent or temporary diversion of agricultural areas up to 10 hectares per total project in the territory of the kreis, with the exception of decisions as per article 10, paragraph 4,

   d) Diversion of buildings and facilities up to a value of M1 million (new).

2. The chairman of the bezirk council with respect to

   a) Restrictions on forestry and fishing use and the use of osier plantations,

   b) Permanent or temporary co-use of forestry areas, osier plantations and inland waters used for fishing,

c) Permanent or temporary diversion of forestry areas, osier plantations and inland waters used for fishing,

d) Permanent or temporary diversion of agricultural areas exceeding 10 hectares per total project on the territory of a kreis and permanent or temporary diversion if the total project extends to the territories of several kreises, with the exception of decisions as per article 10 paragraph 4,

e) Investments for which the bezirk council issues the site permit,

f) Diversion of buildings and facilities with a value exceeding M1 million (new).

3. The bezirk council, by way of decision in instances as per article 10 paragraph 4, or the kreis council, by way of decision in instances as per article 10 paragraph 4 sentence 2.

(2) The Minister for Agriculture, Forestry and Food Industry may reserve approval of diversion, co-use or restriction of use, especially in consideration of the extent of non-farming use or investments by socialist farm enterprises.

(3) Approval may be issued only if the observation of provisions as per articles 9, 10 and 11 is garanteed. In the case of land, buildings and facilities of social organizations, approval must also be made dependent on the observation of the special state provisions applicable to these social organizations to secure the use of their land, buildings and facilities.

(4) If the review in the course of approval proceedings shows that the intended measures may be carried out with less than the extent of non-farming use applied for, approval is to be given only for the extent actually required.

(5) The permanent diversion of land is permissible only within the scope of the state plan targets of the annual plan. The permits issued are the basis for the inclusion in the draft annual plan of the stipulated permanent diversion of land as an element of the plan targets for the development of the land fund.

(6) The permit may be combined with obligations to secure agricultural and forestry use for the duration of non-farming use or the later return to agricultural and forestry use. If the obligations coupled with the permit are not met, the permit may be withdrawn.

(7) If investments are not begun by the date stipulated in the permit, the permit will be suspended until the non-farming user or the socialist farm enterprise advises the chairman of the kreis or bezirk council of the new date. Subsequent to the advice being received, the following are to be reviewed again:

a) The agreement of the extent of the non-farming use applied for with the terms reviewed in the site confirmation and site approval proceedings,

b) The status of preparation of consequent investments for the diversion of land, buildings and facilities,

c) The attitude of the organ superior to the non-farming user to the status of the classification of the proposed measures in the annual plan,

d) The proposal for the further use of the cultivable land.

This review may be waived if the time of the beginning of the investment is changed by no more than 1 year.

(8) Permits or approvals required as per other legal regulations are not affected.

Article 15

(1) The application for approval must be submitted to the competent kreis council
a) With respect to the permanent diversion no later than 1 year before the beginning of the plan year during which the diversion is to take effect,

b) With respect to the use, co-use and temporary diversion of land as well as the diversion of buildings and facilities no later than 1 year before the proposed begin of non-farming use.

In exceptional instances the application may be submitted no later than 3 months before the proposed start of non-farming use, for example for geological exploration, the construction of small transformers, the erection of simple energy lines (lines for medium and lower voltage or medium and lower pressure) as well as single projects with an area not exceeding 50 square meters.

(2) The non-farming user must submit for review, together with the application:

a) Evidence that the proposed non-farming use is indispensable to the non-farming user for carrying out specific social or economic tasks,

b) The attitude of the socialist farm enterprise to the proposed non-farming use,

c) The confirmation of the superior organ that the prerequisites for the implementation of the non-farming use are present at the proposed date.

(3) In the case of the permanent diversion of land, a special investigation has to be pursued in the course of the approval procedure, respecting:

a) The attitude of the organ superior to the non-farming user to the status of the preparation and classification of the proposed measures in the investment plans of the non-farming user,

b) The preparation of consequent investments for the diversion of land, buildings and facilities,

c) The proposal for the further utilization of the cultivated and cultivable soil.

(4) The socialist farm enterprises or social organizations affected must be involved in the preparation of the decision. In the case of socialist cooperatives and

their cooperative facilities the non-farming use and type of compensation for economic damage suffered must be discussed by the plenary meetings, delegate meetings or councils of the cooperative facilities.

(5) If, on the basis of legal regulations (availment, and so on), a local state organ is to decree non-farming use, a review analogous to paragraphs 2 and 3 must be conducted before the decision.

(6) Insofar as non-farming use is proposed on the basis of investments, the decisions and measures prepared in the site confirmation and site approval proceedings must be taken into account.

Section 4

Duties of the Non-Farming Users Toward the Former Users of the Land

Article 16

Contract Conclusion

(1) The non-farming user must contractually agree the non-farming use with the socialist farm enterprise or social organization at the appropriate time but no later than immediately after receipt of the permit. Contracts on non-farming use take effect only in conjunction with the permit and, in the case of the permanent diversion of the land, with confirmation within the scope of the state plan targets in conjunction with the annual plan. If non-farming use is decreed by state organs on the basis of legal regulations, the rights and duties arising for those concerned are to be agreed.

(2) In the case of socialist cooperatives and their cooperative facilities the contract on non-farming use requires approval by the plenary meeting, delegate meeting or council of the cooperative facility.

(3) If non-farming use affects the cooperation partners of the socialist farm enterprise involved, the decision of the plenary meeting of the socialist cooperative or the manager of the socialist farm enterprise must be prepared in the cooperation council. Unless otherwise provided for by the cooperation council, the socialist farm enterprise, the land of which is restricted in use or diverted from agricultural and forestry use, represents all cooperation partners vis-a-vis the non-farming user in the drawing up of the contract, including compensation for economic damage suffered.

(4) The contract must include in particular:

a) The exact description of the area involved, including the necessary access roads, buildings and facilities (layout description and description as per the real property documentation) as well as the dimensions of the various areas affected,

b) The type of non-farming use including the date and duration of the proposed non-farming use,

c) Obligations by those involved with regard to the maximum assurance of agricultural and forestry production,

d) Regulations for maintenance and breakdowns possibly arising in lines and facilities,

e) The obligation to compensate economic damage suffered.

(5) The agreements as per paragraph 1 do not affect the measures required as per special legal regulations with regard to changes in legal ownership, the acquisition of property, and so on.

(6) If only parts of a piece of real property are affected by the permanent diversion of land, the non-farming user is responsible for this specific part, including the avoidance of damage to bordering agricultural and forestry areas, regardless whether the right of usufruct was changed by a change in legal ownership or acquisition, or whether the right of usufruct was based exclusively on a contract with the socialist farm enterprise.

(7) If, despite the diversion of land, some farming use (hereinafter designated secondary use) is still possible, the non-farming user must contract with the socialist farm enterprise regarding this permanent or temporary secondary use. The contract must include in particular:

a) The rights of the socialist farm enterprise granted within the scope of secondary use, including insurance cover, as well as the obligations arising from non-farming use,

b) The duration of secondary use and prerequisites for the cancellation or amendment of the contract,

c) The reciprocal rights and duties at the end of the secondary use.

No financial consideration for the use of the land may be contracted.

Article 17

Compensation for Economic Damage

(1) The non-farming user must compensate the socialist farm enterprises and social organizations for the economic damage suffered by the diversion of land, buildings and facilities from agricultural and forestry use, co-use or restriction of use (restriction of crop planting, the earlier intensification standard, diversion of drainage, and so on) or additional obligations (division of land, additional path construction, additional tilling, restrictions on the type of use).

(2) With the assistance of the kreis councils the socialist farm enterprise must, by the adoption of suitable measures such as redrawing of fields, exchange of fields, and so on, keep economic damage as low as possible.

(3) The economic damage suffered by the socialist farm enterprises by restrictions on or the diversion of use must--as far as possible--be compensated by comprehensive measures. If investments are required to compensate for the permanent diversion of land, buildings and facilities and in cases where restrictions on use prevent buildings, facilities and fish ponds from being used appropriately, these are to be carried out as per the legal regulations on consequent investments.[8] To be applied for the compensation of economic damage to social organizations are the special state provisions issued for these organizations.

(4) In the development and expansion of strip mines the compensation for economic damage with respect to diverted agricultural and forestry areas consists mainly in the return of reclaimed areas and the extraction and handing over of peat as per article 12 paragraphs 2 and 3.

(5) Financial compensation must be paid for economic damage not fully compensated by consequent investments.

(6) The socialist farm enterprises must ensure that the material and financial resources made available to compensate economic damage are deployed with the greatest possible efficiency for further socialist intensification. To that end cooperation relations among socialist farm enterprises are to be used and further developed, so that such resources may largely be concentrated where they will earn the greatest economic and enterprise profit.

(7) Any compensation for economic damage granted socialist cooperatives or their cooperative facilities for the permanent diversion of land, buildings and facilities, and which represents basic assets, must be reported as state property unless granted as compensation for cooperative-socialist property.

Article 18

Indemnities and Rights to Prevent Interruptions of Land Use

(1) Non-farming users who, without a contract, divert, co-use, restrict or in any other way damage land, buildings and facilities of agricultural and forestry use, or who exceed the agreed extent of non-farming use, must make good all damage arising, including damage to cooperating partners of livestock production. The same applies unless the socialist farm enterprise or social organization is offered a contract immediately after the issue of the permit.

(2) Socialist farm enterprises and social organizations may request the immediate cessation of measures by the non-farming user on agricultural and forestry land for which no contract as per article 16 has been concluded. The chairmen, directors and managers of socialist farm enterprises and managers delegated by them in writing have the right to take the personal particulars of people who infringe the regulations for land use or the protection of the land, and to submit to the kreis council proposals for mandatory obligations or fines. The assertion of further claims for interference with property is not affected thereby.

Article 19

Return of Land

(1) Non-farming users are obligated to make available land not required to socialist farm enterprises or social organizations for agricultural and forestry use.

(2) When non-farming use has finished, all land suitable for agricultural and forestry use must be returned by the non-farming user to the type of use or cultivation stipulated in the approval proceeding. If there is no such stipulation, priority use is to be ensured for the land as agricultural area, especially arable land, and--in the case of temporary diversion or temporary co-use--at least the return to the earlier type of use or cultivation. The non-farming user must ensure the necessary measures for the restoration of soil fertility.

(3) In conjunction with the extraction of mineral raw materials by strip mining, care must be taken to ensure that, in principle, the planned restoration of land to agricultural and forestry use corresponds to the volume of the diverted agricultural and forestry area. The residual excavation area must at all times be planned at the expense of the volume of restoration of diverted non-farming or non-forestry areas. Should that not be possible the residual excavation area may be proportionally deducted from the volume of the diverted agricultural and forestry area, mainly the forestry area. In cooperation with the strip mining enterprise the bezirk council will ensure that land is reclaimed to the greatest extent possible for agricultural use, especially as arable land.

(4) To be ensured is the rapid and efficient provision of the best possible soil fertility and the extensive inclusion of the respective areas in the enterprise reproduction process of the socialist farm enterprise by close cooperation between the non-farm user and the socialist farm enterprise assigned future use in the process of planning and implementing the restoration of land. The reclamation of land used for mining proceeds on the basis of legal regulations.[9]

Section 5

Concluding Regulations

Article 20

Comprehensive Preparation of Consequent Measures for Agriculture

(1) If non-farming utilization exerts significant effects on socialist farm enterprises and the region, the kreis council--and if investment measures are extensive the bezirk council--must comprehensively prepare and organize the necessary consequent measures. Also to be included with non-farming use are related measures (making available living quarters, traffic links, service facilities, and so on).

(2) The kreis council must assist the socialist farm enterprises in the implementation of the measures required as a result of non-farming use. It ensures that all issues relevant to farm production are thoroughly discussed with the working people of the socialist farm enterprise. In the case of socialist cooperatives and their

cooperative facilities this discussion proceeds by way of plenary meetings, delegate meetings or the councils of cooperative facilities.

Article 21

Sanctions

Should

1. Socialist farm enterprises

   a) Without justification fail to cultivate land belonging to their land fund,

   b) Without permission make available to third parties for non-farming use land belonging to their land fund;

2. Non-farming users

   a) Fail to meet the obligations imposed with the permit,

   b) Destroy ripe crops or prevent them from being harvested,

the chairman of the kreis council (in the case of bezirk managed socialist farm enterprises the chairman of the bezirk council) may impose a sanction up to the amount of the soil utilization fee to be paid for this area upon permanent or temporary diversion. These moneys are to be collected at the kreis or bezirk council and earmarked for planned intensification measures in socialist farm enterprises.

Article 22

Appeals Procedure

(1) Appeals may be lodged against decisions as per article 6 paragraph 2, article 8 paragraphs 3 and 5, article 15 paragraphs 1 and 6 and article 21. Those affected by the decision must be informed of their right to appeal.

(2) The appeal must be made in writing within 4 days from the day of the receipt or notification of the decision, citing the reasons. It must be lodged with the state organ which issued the decision.

(3) The appeal has to be decided within 4 weeks. If it is disallowed or not allowed fully, it must be forwarded for final decision within this period

a) To the chairman of the bezirk council if the disputed decision was issued by the chairman of the kreis council or a competent deputy of the chairman or a full-time member of the bezirk council,

b) To the competent deputy of the chairman of the bezirk council or full-time member of the bezirk council if the disputed decision was issued by a competent deputy to the chairman of the kreis council or a full-time member of the kreis council.

The appellant must be informed accordingly. The final decision on the appeal has to be issued within another 2 weeks. If, in exceptional cases, a decision cannot be issued within this period, an interim decision is to be issued at the proper time, citing the reasons of the delay and the probable date of the eventual decision.

(4) If the chairman disallows an appeal against his decision or does not allow it in full, he submits it to the bezirk council for [illegible] decision by way of a resolution.

(5) The appeal has a delaying effect.

(6) The appellant is to be notified of the decision about his appeal and the decision justified.

Article 23

Administrative Penalty Regulations

(1) Reprimanded or fined M10-500 may be anyone who deliberately, as chairman, director, manager or senior executive of a socialist farm enterprise

1. Without justification causes land not to be cultivated,

2. Without permission makes land available to third parties for non-farming purposes.

(2) Also reprimanded or fined M10-M500 may be anyone who, as a manager or senior executive of a non-farming user, causes

1. Land, buildings and facilities to be diverted or their use restricted without an agreement or contract with the socialist farm enterprises or social organizations, or fails to meet the obligations assigned with the permit,

2. Land to be diverted or restricted as to use earlier than specified in the permit,

3. The temporarily diverted land not to be returned or the restriction not ended at the stipulated time,

4. Ripe crops to be destroyed or their harvesting prevented.

(3) To be reprimanded or fined M10-M500 may be anyone who deliberately

1. Unlawfully damages crops on cultivated agricultural areas or contributes to the lasting effect of such damage,

2. Without permission of the socialist farm enterprise or others entitled to use the land drives on agricultural and forestry areas outside of roads and paths, or otherwise damages them,

3. Carries out changes in the type of use or crop or the usufruct rights with respect to agricultural and forestry land without the necessary permit or fails either altogether or at the correct time to report any change in the type of use or crop or usufruct rights subject to report,

4. In the capacity of manager or senior executive of a non-farming user neglects the principles established

   a) For making available land as per article 9 paragraphs 1 and 2,

   b) For the protection of cultivable soil as per article 12.

(4) If deliberate administrative offenses as per paragraphs 1-3 were committed for reasons of personal gain or repeatedly within 2 years, and punished by administrative penalties, or if socialist interests were grossly disregarded or considerable damage cuased or could have been caused, a fine of up to M1,000 may be imposed.

(5) The chairmen of the kreis councils or their competent deputies or full-time council members are assigned the duty of carrying out administrative penalty proceedings.

(6) In the case of minor administrative offenses, members of the land commission, who are also staff members of the respective state organ and deputized by the chairman of the kreis council, may issue a caution coupled with a fine of M1-M20.

(7) The law of 12 January 1968 on Combating Administrative Offenses--OWG--(GBL I No 3 p 101) applies to the implementation of administrative penalty proceedings and the imposition of administrative penalties.

Article 24

Implementing Regulations

In agreement with the competent ministers and heads of other central state organs the Minister for Agriculture, Forestry and Food Industry will issue implementing regulations to this decree.

Article 25

Effective Date

(1) This decree takes effect on 1 May 1981.

(2) The provisions relating to the planning of the development of the land are first to be used to draft the 1982 plan in accordance with the plan methodology. Measures by non-farming users which did not require a permit as per the regulations in effect hitherto may be carried out for up to 4 months after this decree takes effect as per the earlier regulations. In cases where permission could be requested within a shorter term as per the regulations in effect hitherto, an application submitted immediately after this decree takes effect will be deemed to have been submitted at the proper time as per article 15.

(3) Losing effect at the same time are:

-- Decree of 17 December 1964 for the Protection of Agricultural and Forestry Property and for the Security of Socialist Land Use--Land Use Decree--(GBL II 1965 No 32 p 233; Ber. GBL II No 42 p 299) in the version of No 64 of appendix 1 to the adjustment decree of 13 June 1968 (GBL II No 62 p 363);

-- Article 3 of the decree of 24 June 1971 on the New Version of Regulations on Appeals Against Decisions by State Organs (GBL II No 54 p 465).

FOOTNOTES

1. In effect at this time are: Part B of the Performance Decree of 26 July 1979 (GBL I No 29 p 265) and the special regulations on planning rights.

2. In effect at this time are the special regulations on Wismut mining.

3. In effect at this time is the Real Property Transaction Decree of 15 December 1977 (GBL I 1978 No 5 p 73).

4. In effect at this time is the Second Implementing Regulation of 26 February 1981 to the Land Use Decree--Changes in the Type of Use and Crops and Usufruct Rights as well as Permission for Co-use and the Restriction of Agricultural and Forestry Use and the Diversion of Land, Buildings and Facilities--(GBL I No 10 p 114).

5. In effect at this time is the definition according to GDR Standards 11482/05--Earth Works; Safeguarding and Dealing with Cultivable Soil (7.73). Cultivable soil strata in the meaning of mining regulations are also deemed to be cultivable land.

6. In effect at this time is Work Safety Order 631/1 of 21 November 1972--Earth Works and Line Laying in the Ground--(Special Issue 747 of the GESETZBLATT).

7. In effect at this time is the order of 10 April 1970 on the Reclamation of Land Used for Mining--Reclamation Order--(GBL II No 38 p 279).

8. In effect at this time is the decree of 13 July 1978 on the Planning, Preparation and Implementation of Consequent Investments (GBL I No 23 p 257).

9. In effect at this time are:

--Order of 10 April 1970 on the Reclamation of Land Used for Mining--Reclamation Order (GBL II No 38 p 279),

-- Order of 23 February 1971 on the Recultivation of Land Used for Mining--Recultivation Order--(GBL II No 30 p 245).

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BRIEFS

DECLINE IN COAL PRODUCTION--In the first 3 months of this year coal production was 16 percent higher than the same period last year, in the first 5 months it was 13.2 percent higher, and at the end of the first half of this year it was 12.2 percent higher. In June production was only 6.7 percent above that in June 1980, largely because of the 350,000 ton shortfall at the "Kolubara" mines. Judging from everything, it will not be possible to meet all household needs completely. Total coal production for the first half of this year is 24.7 million tons, including 19.3 million tons of lignite, or 13.5 percent more than last year, 5.2 million tons of brown coal, or 8.4 percent more than last year, and nearly 200,000 tons of hard coal, or 5.3 percent less than in the first half of 1980. [Excerpt] [Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 20 Jul 81 p 29]

ENERGY OUTLOOK--All republics and provinces have drawn up their energy-saving programs. The Federal Executive Council has also issued some recent recommendations. This year 51 million-to-52 million tons of coal will be produced instead of the planned amount of somewhat over 57 million tons. According to the suggested rebalancing of the energy balance sheet, 875,000 tons less oil will be imported than originally planned which does not cover this year's needs. In almost all republics measures to restrict the use of electric power are being introduced but it is realistic to expect that even this will not be sufficient to the end of the year. In such a situation recommendations must be substituted for measures which directly limit consumption. Ways of increasing domestic production of fuels have been known for a long time. For instance in coal mines, miners produced about 3,778,000 tons of coal last year alone through overtime work; yet their demands for better conditions for overtime work have found no response. Because of the lack of investment and foreign exchange funds to import spare parts, equipment has been standing idle in mines where the highest quality coal is.... As a result of the shortage of oil products, liquid gas is being used in motor vehicles, while mazut is being used for drying purposes in sugar mills. [Excerpts] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 18 Aug 81 p 1]

KOSOVO PRIVATE FARMS--By the end of the current medium-term period 5.09 billion dinars will have been invested to accelerate the development of the private agricultural sector in Kosovo. It is planned to spend these funds to purchase agricultural machines, develop vineyards, orchards, livestock raising and bee-keeping in the private sector. Funds will be provided by the Federal Fund for Faster Development of Under-Developed Republics and Kosovo, by the International Bank for Reconstruction and Development, and by the farmers themselves. By the end of 1985 it is expected that Kosovo in this way will have 3,886 tractors, 220 harvesting combines,

9,000 machine attachments, 2,000 hectares of vineyards, 1,500 hectares of orchards, 1,300 mini-farms for raising milk cows, 1,000 mini-farms for fattening calves, 1,200 sheep and goat farms, 100 turkey farms, 100 pig farms, and 150 chicken farms. Also, 1.94 billion dinars will be invested during this period in the organization of agricultural cooperatives. [Excerpt] [Belgrade BORBA in Serbo-Croatian 17 Aug 81 p 5]

END

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8 Sept 1981